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THE WEST CENTRAL GEORGIA PLAN

By
LEON SMITH

The people of eight West Central Georgia counties have ceased to carry on the battle for economic growth as individual units ranging in size from a population of 6,000 to 25,000. These people have banded together, 100,000 strong, in a program for mutual progress that has erased county borders except for political sub-division purposes.

Taylor, Talbot, Crawford, Lamar, Monroe, Pike, Meriwether and Upson counties are now bound together in a program known as the West Central Georgia Development Association. In brief, the West Central Georgia Development Association is a giant 8-county Chamber of Commerce with 100,000 enthusiastic members.

Geographically and economically these eight counties are now bound together with the leaders realizing the things that help one county will help the other. A rough circle will encompass West Central Georgia on a map. All eight counties are linked together with paved roads and excellent communication systems. All are beyond too easy reach of the big cities being approximately sixty miles from Atlanta, Macon and Columbus from the center point.

West Central Georgia has several fair size cities—Thomaston, Manchester, Barnesville, For-

syth and some prosperous smaller communities such as Butler, Reynolds, Zebulon, Roberta, Talbotton, Warm Springs and Greenville. The merchants of these communities offer practically everything on the American market today in merchandise and service. Last year retail sales in West Central Georgia (based on Georgia sales tax figures) amounted to \$62,000,000. Yet (according to the average income of Georgians) the people of this area had gross earnings of \$112,000,000. Deducting a sizable amount for income taxes and savings it is quite evident that West Central Georgians took several million dollars outside the W. C. G. borders to spend.

One of the primary aims of the West Central Georgia program is to educate the people of the area that by spending their income within West Central Georgia they may have the opportunity of seeing their money again. If West Central Georgians spend \$10,000,000 or even \$20,000,000 more of the money they earn in West Central Georgia, it will be the equivalent of one of the largest industries such an area could attract. While chambers of commerce all over Georgia are fighting for new industry one has been unearthed in West Central Georgia that requires no building, no tax compensations or other such inducements.

West Central Georgians are being urged to turn to neighboring W. C. G. communities for merchandise and service they cannot obtain in their own community. The people of the larger communities are turning to the smaller communities to buy their products and services. The livestock barn in Thomaston offers a cash market for cattle and other livestock; the egg market in Thomaston offers a cash market for eggs; dairymen in West Central Georgia are turning to dairies within the

Mr. Leon Smith editor of the Thomaston Free Press, Thomaston, Ga. is one of the state's younger editors. In 1953, the citizens of Thomaston recognized Mr. Smith as their "young man of the year." He has served with distinction as a member of the Board of Managers of the Georgia Press Association. As a crusading editor he has given impetus and continuing support to the "West Central Georgia Improvement Assn." He believes the success of the association will be measured in terms of increased business for every town in the area. "This is not one of those schemes to bring new business into one large town in the area," he said. "It must help all of our towns if it is to succeed." Will it work in other areas? "Yes!" answers Leon Smith. "It will work if it has the understanding and support of the people."

area to sell their milk and a plan is underway to establish a state farmer's market in West Central Georgia.

Pimento plants in Meansville and Zebulon are giving top priority to the purchase of West Central Georgia-produced peppers. Farmers and motorists have discovered that cord for B. F. Goodrich tires and General Tires is produced in West Central Georgia.

Such close-knit cooperation among producer, manufacturers and consumers is one of the primary aims of the West Central Georgia Development program. Inter-territorial trade is the immediate affect of the program.

The future of the program is long range.

A board of directors has been set up with two representatives from each county. The representatives were elected after a mass meeting to which more than 150 interested citizens came from all over West Central Georgia.

The board of directors of the West Central Georgia Development Association has reached back into the eight counties and selected leaders in all fields for committee appointments and they have set up objectives for the Association:

1. Create throughout the "West Central Georgia" area a desire for communities to work together for the economic development of the area and the welfare of its people.

2. Secure recognition that greater benefits can be derived by area-wide efforts than by separate community efforts.

3. Secure recognition of the inter-dependence of all communities within the area, and that the economic development of any community would be of benefit to the area as a whole and its people.

4. To create and perpetuate a spirit of friendliness and good-will throughout the area.

5. To jointly conduct area-wide studies to determine (a) the economic needs of the area and its people, (b) the economic needs at community levels that are of a nature where area-wide action and participation can prove helpful.

6. To adopt both short-range and long-range plans to meet the needs found to exist.

Operating now in the first year on a limited budget of \$2,000 the directors and committee members are so conscientious about the program they travel to meetings and pay for luncheons and dinners out of their own pocket.

They have elected John Henry Woodall, Sr., of Woodland, as the first president of the West Central Georgia Development Association. Mr. Woodall has the inborn spirit of the Association. A Georgia Tech graduate who returned to his small hometown rather than succumb to the lure of the city, Mr. Woodall has built two successful manufacturing plants in his own small hometown. The Woodland Furniture Company and the Georgia Cushion Com-

pany are the life-blood of Woodland. But Mr. Woodall is also a born civic leader. He has served on the Georgia Board of Education and at present is president of the School Board Association of Georgia.

Other board members include: W. T. Jones, Roberta; R. C. Murphey, Roberta; Cyrus M. Neuner, Barnesville; Clifford Seay, Barnesville; G. W. Hardaway, Greenville; Jimmy D. NeSmith, Manchester; Hal B. Hatcher, Forsyth; Tom Scott, Jr., Forsyth; H. G. Langford, Meansville; G. M. Strickland, Concord; R. H. McRae, Talbotton; Emory Harris, Butler; R. L. Swearingen, Reynolds; Hays Arnold, Thomaston; and W. N. Miner, Thomaston.

The Association directors are tackling the agricultural problem in West Central Georgia. They have determined that the Association can do much to improve agricultural conditions and thereby raise the living standards of a large percentage of West Central Georgians. They are working on the State Farmers' Market project and they are considering the problem of raising grain elevators since none exist in the eight-county area although much grain is being produced. They are working with agricultural agents to determine other programs to help the farmers of West Central Georgia earn more

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West Central Georgia Counties



money and better utilize the soil.

Also the industrial committee is at work. They are compiling data on all labor, natural resources, housing, industrial sites, transportation, etc., in

preparation for compiling an information sheet for distribution to prospective industry. When West Central Georgia goes after new industry, it will be on an eight-county basis. They will give prospects the data for eight counties in one report and they will be working together to obtain the industry in the most desirable area. This will be in contrast to the eight counties scrapping on an inadequate, individual basis for industry.

West Central Georgians will be able to send ten representatives and three or four senators to Atlanta when they need a road paved in Crawford county or a bridge in Pike county. They feel that the State Highway Department will listen to a delegation of fourteen elected representatives of the people with a more attentive ear than if Crawford's lone representative sought the work. And the county commissioners of the eight counties now feel more inclined to work together on linking county roads within the area.

West Central Georgians are learning that within the area exist two fine colleges—Gordon Military College at Barnesville and Bessie Tift at Forsyth—and that their children may attend college at

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CREDIT AND SALES MUST WORK TOGETHER

By W. LE ROY HOUSE

Credit Manager, The Electric Supply Co., Atlanta, Ga.

Vice-President, Georgia Association of Credit Management

As Thomas Paine might have said, "These are the times that try men's souls—when an order is hard to get, and after you get it the credit may be bad." Under such circumstances it is essential that the credit department and sales department work closely together to sell to credit-worthy customers all the profitable business that the company can safely put on the books. This statement is the subject of volumes of comments by experts who differ widely in their interpretations.

There has long been a belief that credit and sales are pledged to eternal enmity. This is a mistaken idea for in many companies these two departments work in harmony and the results are apparent in the success of the enterprise. A common misconception is one in which the credit and sales departments regard themselves as two separate companies striving in competition, when in reality they are both important service units of the same company and both should have the same goal. Cancerous friction built on conflict may cause an otherwise healthy business organization to wither and perish.

Since the objective of a progressive enterprise is to sell all it can on a profitable basis the credit executive must have a sales attitude. This attitude

coupled with confidence, friendly cooperation, and mutual understanding between the sales and credit departments can become a mighty force building a growing business.

Contrary to the general belief that the credit department is an item of dead expense in the business budget, the credit department can and should be an active partner of sales in producing a profitable volume of business for the company. Management must recognize this new concept of the credit department and encourage and assist the credit executive in working with the sales department and other departments of the organization. A spirit of teamwork must prevail throughout the entire company if any degree of success is expected to result. *Everyone must work together toward a common goal.*

The sales department may make a significant contribution by giving assistance to the credit department in many ways. The salesman in the field can relay valuable information about one of his accounts and the credit manager can use this knowledge to more accurately evaluate the credit risk. This applies not only to new accounts where the salesman's remarks can amplify the data given in the credit application, but it is equally applicable



APRIL ATLANTA AREA ECONOMIC INDICATORS

ITEM	APRIL 1954	MARCH 1954	% Change	APRIL 1953	% Change
EMPLOYMENT					
Job Insurance (Unemployment) Payments	\$378,775	\$394,335	-3.9	\$150,313	+152.0
Job Insurance Claimants [†] -----	5,255	5,913	-11.1	2,650	+98.3
Total Non-Agricultural Employment -----	297,600	296,200	+0.5	286,800	+3.8
Manufacturing Employment -----	78,600	78,700	-0.1	77,600	+1.3
Average Weekly Earnings, Factory Workers -----	\$61.70	\$60.45	+2.1	\$63.91	-3.1
Average Weekly Hours, Factory Workers	39.3	39.0	+0.8	41.4	-5.1
Number Help Wanted Ads -----	6,961	6,359	+9.5	10,963	-36.5
CONSTRUCTION					
Number Building Permits, City of Atlanta	946	974	-2.9	1,107	-45.4
Value Building Permits, City of Atlanta -	\$6,583,267	\$4,339,019	+51.7	\$6,838,039	-3.7
Employees in Contract Construction ---	15,750	14,900	+5.7	13,400	+17.5
FINANCIAL					
Bank Debits (Millions) -----	\$1,298.4	\$1,359.2	-4.5	\$1,233.1	+5.3
Total Deposits (Millions) (Last Wednesday) -----	\$941.7	\$941.9	-0.0	\$914.2	+3.0
POSTAL					
Postal Receipts -----	\$1,429,437	\$1,495,640	-4.4	\$1,198,027	+19.3
Poundage 2nd Class Mail -----	1,462,487	1,393,189	+5.0	1,301,135	+12.4
OTHER					
Department Store Sales Index (Adjusted) (1947-49=100) -----	132	120	+10.0	120*	+10.0
Department Store Stocks -----	N.A.	N.A.	-1.0	N.A.	-1.0
Retail Food Price Index (1947-49=100) -----	112.8	112.2	+0.5	111.7	+1.0

*Revised.

N.A.—Not Available.

[†]City of Atlanta only.

Sources: All data on employment, unemployment, hours, and earnings: Employment Security Agency, Georgia Department of Labor; Number Help Wanted Ads: Atlanta Newspapers, Inc.; Building permits data: Office of the Building Inspector, Atlanta, Georgia; Financial data: Board of Governors, Federal Reserve System; Postal data: Atlanta Post Office; Retail Food Price Index: U. S. Department of Labor; Department Store Sales and Stocks Indexes: Federal Reserve Bank of Atlanta and Board of Governors, Federal Reserve System; Telephones in Service: Southern Bell Telephone and Telegraph Company.



JANUARY THROUGH APRIL, 1953 and 1954

1954	1953	ITEM	PER CENT CHANGE
\$5,521,052	\$4,752,442	Postal Receipts, Atlanta Post Office	
14,375	12,425	No. Construction Employees* -----	+16.2
5,276,638	4,742,587	Poundage 2nd Class Mail Atlanta Post Office -----	+15.7
\$5,028.5	\$4,746.3	Bank Debits (Millions) -----	+11.3
246,430	236,232	Telephones in Service** -----	+5.9
296,850	287,400	Total Non-Agricultural Employment* -----	+4.3
\$941.7	\$914.2	Total Deposits (Millions)** -----	+3.3
78,750	76,800	No. Manufacturing Employees* -----	+3.0
N.A.	N.A.	Department Store Sales Based on dollar amounts) -----	+2.5
112.8	111.7	Retail Food Price Index (April) -----	+2.0
\$62.36	\$62.57	Average Weekly Earnings, Factory Workers* -----	+1.0
N.A.	N.A.	Department Store Stocks** -----	-0.3
39.6	41.2	Average Weekly Hours, Factory Workers* -----	-1.0
3,382	3,801	Number Building Permits City of Atlanta -----	-3.9
\$19,236,100†	\$22,495,392	Value Building Permits City of Atlanta -----	-11.0
26,015	40,012	Number Help Wanted Ads ----- <small>*Special ruling permits construction of \$20,500,000 Grady Hospital addition without permit. If included, total above is \$39,739,100 and the change becomes plus 76.6%.</small>	-14.5
		<small>**Average month.</small>	-35.0
		<small>†End of period.</small>	
		<small>N.A.—Not Available.</small>	
		Sources: Same as page 4.	

to changing conditions noted by the salesman during his visits to the customer's place of business. A clear understanding of credit problems by the salesman will engender a more cooperative relationship between the departments. Realization of the fact that a customer can buy only if his account is liquidated satisfactorily should impress the salesman with the necessity for more than passing interest in collections. Active and friendly cooperation is the keynote of a healthy relationship which must exist between sales and credit for an effective sales program.

The modern concept of today's credit executive is that he should be a credit sales manager. By advantageously employing all the resources at his command he may discover and present sales opportunities to the sales department and thus be a sales producer along with the sales department. Sales productivity can come through many avenues, some of which it will be profitable to consider here.

One way in which the credit manager may act to produce more sales volume is by *interpretation of policy and terms* in such a flexible manner as to permit sales on special arrangements. There are many sales which may safely be made with adequate protection for the company and yet which do not come strictly within the normal sales policy or terms. Sound discretion must be exercised by the credit executive in these fringe areas to prevent relaxation of prescribed regulatory safeguards which the company requires for appropriate protection of its accounts receivable.

Selective selling presents a most efficient method of productive contact. Here is how it works: The credit department examines risks in the sales territory served by the company, and by selection and pre-analysis the credit manager determines those accounts which the company is not now selling but which he considers to be satisfactory credit risks. These leads placed in the hands of the sales department enable them to concentrate on those prospects which will be acceptable as customers and because of their financial responsibility will in all probability mature into good customers with a considerable volume of business. The less desirable accounts which consume the salesman's time, and whose volume is small and whose credit is unsatisfactory, are avoided. Result—same number of sales hours expended—more volume of business obtained—less credit risk and loss involved.

Account analysis by the credit department is another sales tool. An inactive account is unprofitable since a customer is only valuable to the firm when he is buying. Analyzing account cards spotlights the inactive accounts and these should be brought to the attention of the sales department by the credit manager. Changes in personnel and rearrangement of sales territories may result in some inactive accounts being overlooked by sales personnel safeguard against this possibility.

nel. Account analysis by the credit department is

Customer counselling can be very helpful. The credit executive dealing with many firms of the same type accumulates a reservoir of information about such firms. A weak or new customer can be developed and guided by competent counselling on the part of the credit manager. The stronger the customer the better customer he will be and the more he can buy. It is good business to keep the outlets for your products in a healthy condition. The credit department can work hand in hand with the sales department to do this.

Prompt and orderly liquidation of accounts receivable is one of the prime responsibilities of the credit department. It is not always recognized that this is a valuable aid to continuing sales volume, but it is nevertheless true. Accounts in arrears become inactive customers and cease to be outlets for the firm's goods. It is, therefore, quite advantageous to the company that these outlets be kept open by maintaining the customer's account in an up-to-date condition. This is good for sales volume and good for working capital, both of which are extremely necessary to the continued successful operation of the company.

Slow collections usually result from *extension of credit to marginal accounts*. These marginal accounts are a matter of great concern to the credit manager. It is easy to approve credit to "grade A" risks, and easy to say no to undesirable risks. It is the nebulous area in between known as the marginal risk which challenges the skill and training of the credit executive. Here the credit man may demonstrate how valuable he is to his company in the matter of sales productivity, and he may determine the profitability of the business he accepts by applying certain measurements. Following is a suggested method of measurement of the profitability of marginal accounts.

There are probably almost as many conceptions of a marginal account as there are opinions on the subject. The following is offered as one of these opinions, based upon an arbitrary, but reasonably sound division. Using a Dun and Bradstreet reference book, in which nearly every business is listed, and following the rating key in the front of the book, consider as *good accounts* those which are rated so as to fall in column 1 (high) or column 2 (good), stopping at the letter designation of net worth where it is considered safe for extension of credit. This point the individual credit man must determine for himself, in the main, considering the nature of the business.

View as *marginal accounts* those whose ratings place them in column 3 (fair), those accounts which are listed but have not been assigned any rating, those accounts which have sales ratings only, and those in column 1 and 2 with letter designation below point considered safe for extension of credit. Accounts not listed and those whose ratings place

them in column 4 (limited) are generally considered undesirable credit risks, and perhaps some of the other accounts may be classified as undesirable credit risks upon further investigation.

Make the assumption that all marginal business sold is a part of the sales productivity of the credit department resulting from the analysis, counselling, attention, and other considerations necessary to sell this type of customer. The measurement of this phase of the productivity would indicate a measure of the sales profitability of the credit department handling the marginal business.

From account cards, or similar sources available in the files of the credit department, analyze the business sold and determine the amount of volume sold to marginal accounts. Analysis should be made on an annual basis, although a shorter period may be analyzed.

To the total volume of sales to marginal accounts should be applied the per cent of gross margin of the credit manager's company (which may be obtained from the Income and Expense Statement). This calculation will indicate the amount of gross profit the company realized on the marginal business accepted by the credit department.

It is recognized that there are certain extraordinary costs which accrue as a direct result of selling marginal business. The principal additional costs are (1) bad debt losses on marginal accounts, (2) collection expense incurred on marginal accounts, and (3) interest cost of carrying the marginal business. This interest cost may be determined by analyzing the average payment period of the marginal group and applying the commercial interest rate to the volume with an average collection period in excess of the firm's regular net terms.

The result of these calculations is to indicate the amount of gross profit realized from credit department sales productivity. The method suggested above is only to place the additional marginal sales on the same basis as other sales handled by the company from the standpoint of profitability. Of course, if net profit is desired, the usual operating expenses of the business must be taken into consideration.

The limitations of this suggested formula may restrict its use, but it does help explore the field of measurement of profitability to such an extent that individual applications may be adapted or improvised to enable the credit executive to apply a yardstick to the sales productivity of his department. It also serves to stimulate thinking and action on the part of the credit man and this will aid in promoting more effective operation of the credit department and enlarge his opportunity for participation in management and contribute strength to the organizational fibre of the company.

Consideration of these mutual aids and the beneficial results to be obtained from their application accent the desirability of cooperation between

credit and sales, and will focus the attention of management upon the credit executive who uses vision in the performance of his functions in such a manner as to evidence the vital and active role the credit department can play in sales productivity.

WEST CENTRAL GEORGIA PLAN

(Continued from Page 3)

either and commute daily from their homes anywhere in the area.

West Central Georgians are being educated to the wonderful medical facilities in the area. The giant 100-bed Upson County Hospital has been thrown open for patients in the entire area and doctors in almost all the eight counties have accepted appointments to the Hospital medical staff.

Community projects are receiving the enthusiastic support of neighboring West Central Georgia communities. Last year the Pimento Festival at Woodbury attracted motorcades from many West Central Georgia communities where citizens had the earnest desire to support a community-level project in the area. The annual Fat Cattle Show in Thomaston was expanded this year into the West Central Georgia Fat Cattle Show. Cattlemen in the area have formed the West Central Georgia Cattlemen's Association and horseback riders have organized the West Central Georgia Saddle Club.

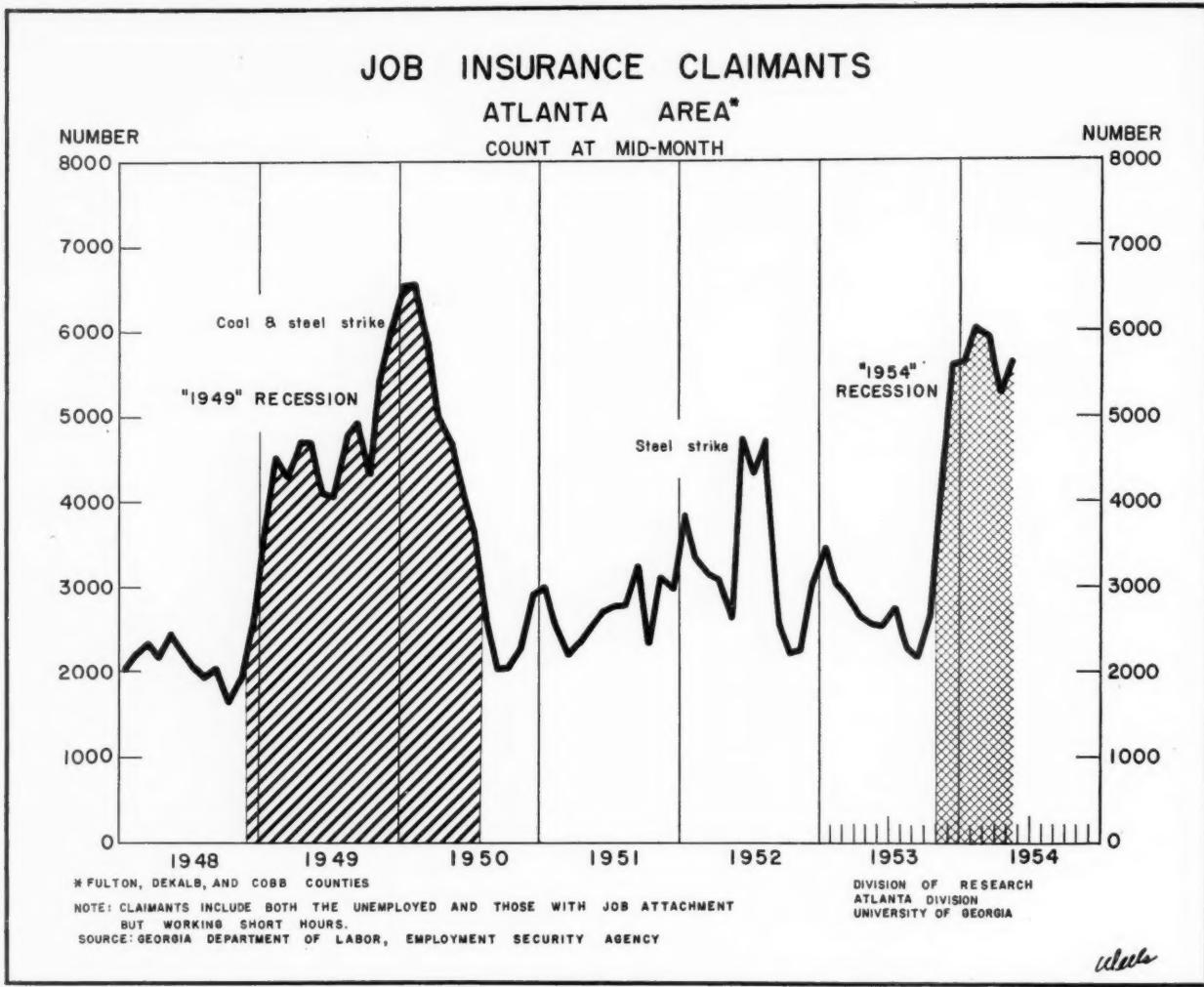
The project is being carried to the people of the area in addresses by the leaders to civic clubs in all eight counties and the newspapers of the area are all solidly behind the project. Smaller communities are surprised to learn that the larger communities in the area are earnestly desirous of working for the growth of every town in the area. But the leaders realize the growth of one community is bound to eventually mean growth to other cities and towns in the area if the spirit of the program is carried out.

Everyone of the 100,000 people in the area have been called on to help if by no other way than always proclaiming they are from West Central Georgia.

The program was born with the newspapers in Thomaston—The Thomaston Times and The Free Press. It had its beginning early in 1953 when it was brought before the Thomaston and Upson County Chamber of Commerce. It received immediate approval and endorsement of this body which pushed it to organization on the eight-county level.

Financing the first year was based on a 2-cent per capita basis and the county representatives on the board raised the money in their own communities.

With the aid of this program the people of West Central Georgia feel that it will become the best developed and most diversified area in Georgia.



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